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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/933,837	08/22/2001	Daniel Schutzer	CITI0233	7284
75127 7590 07/07/2008 KING & SPALDING LLP (CITI CUSTOMER NUMBER) ATTN: GEORGE T. MARCOU 1700 PENNSYLVANIA AVENUE, NW SUITE 200 WASHINGTON, DC 20006				
EXAMINER				
MILEF, ELDA G				
ART UNIT		PAPER NUMBER		
3692				
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

# Office Action Summary

**Application No.**

09/933,837

**Applicant(s)**

SCHUTZER, DANIEL

**Examiner**

Elda Milef

**Art Unit**

3692

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 24 April 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-33 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-33 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_
- Paper No./Mail Date: \_\_\_\_\_

## **DETAILED ACTION**

### ***Status of the Claims***

1. This office action is in response to the amendments submitted by the applicants on 4/24/2008.

- Claims 1,2, 28,29 are amended.
- Claims 1-33 are pending in the application.

### ***Continued Examination Under 37 CFR 1.114***

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 4/24/2008 has been entered.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-9, 13-18, 23-33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Foster (US Patent No. 6,332,134) in view of Barbara et al. (US PG. Pub. No. 2002/0016769).

**Re claim 1:** Foster discloses:

receiving payment instructions electronically from the first party by a third party; determining whether the first party has an existing checking account and credit card account with the third party; ("the present invention includes apparatus for use by a cardholder for conducting a financial transaction between the cardholder and a merchant, wherein the cardholder makes a purchase from the merchant using credit established at a financial institution...combining information about the selected item and the merchant identifier with cardholder information...wherein a request to pay is created, and means for transmitting the request to pay to the financial institution.")-see col. 3 lines 11-23;

carrying out the instructions, the instructions directed at satisfying an obligation to the second party by the first party wherein if the first party has the checking account with the third party, by debiting directly from the first party's existing checking account - col. 4 lines 54 to col. 5;

and integrating financial services in satisfying the obligation of the first party to the second party-("cardholder makes a purchase form a merchant using credit established at a financial institution.")see col. 3 lines 1-39. cols. 2-5; and ("The cardholder establishes an account with the card company to obtain credit which may be used to

make financial transactions, such as purchasing goods...")-see col. 5 lines 4-12; and ("the card company may be a credit card company, a bank, a credit union, or other financial institution...)-see col. 4 lines 58-67.

Foster does not specifically disclose wherein satisfying the obligation further comprises placing a payment in satisfaction of the obligation in a holding account solely for retrieval via an automated teller machine (ATM) by the second party. Barbara however, teach ("An embodiment of the present invention enables the recipient 14 to receive a payment from another person, such as customer 10, and to use the payment for shopping 44 or to withdraw the payment in cash 46 at an ATM for a fee.")-see para. 59 and ("access card that is provided...allows the user to withdraw funds from the transaction account...at a self-service financial transaction terminal, such as an automatic teller machine (ATM)")-see para. 19. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster to specifically include the recipient to receive payment from a customer and withdraw the payment in cash at an ATM as taught by Barbara in order to accommodate needs of different customers.

**Re claim 2:** Foster discloses the merchant agreeing to accept payment from the card company via an ACH, which may perform bank to bank transfers and that the transfer of funds may occur in several ways, such as wiring funds directly to the merchant's account. -see col. 7 to col. 9, line 12. Foster does not explicitly disclose wherein the second party receives payment via an automated teller machine. Barbara

however, teach ("An embodiment of the present invention enables the recipient 14 to receive a payment from another person, such as customer 10, and to use the payment for shopping 44 or to withdraw the payment in cash 46 at an ATM for a fee.")-see para. 59 and ("access card that is provided...allows the user to withdraw funds from the transaction account...at a self-service financial transaction terminal, such as an automatic teller machine (ATM)")-see para. 19. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster to specifically include the recipient to receive payment from a customer and withdraw the payment in cash at an ATM as taught by Barbara in order to accommodate needs of different customers.

**Re claims 3,4:** Foster discloses:

wherein the first and second party individually select their preferred method of payments in terms of timeliness of payment – see col. 5 lines 16-63; wherein the electronic transaction occurs via the Internet-see col. 4 lines 36-50;

**Re claim 5:** Foster discloses wherein the third party is a bank-see col. 4 lines 54-62;

**Re claims 6,7,8:** Foster discloses wherein the first party establishes a relationship with the third party, by providing the third party information regarding a preexisting account with a separate institution used by the first party; wherein the separate institution accepts an electronic debit; wherein the third party debits the preexisting account via Automated Clearing House (ACH) debit -see col. 10 lines 24-32.

**Re claim 9:** Foster discloses wherein the first party makes payment into an account by using a credit card and the third party receives the credit card payment, wherein the

third party is a merchant acquiring bank.-see col. 12 to col. 13 line 4.

**Re claim 13, 14:** Foster discloses wherein the first party establishes a line of credit with the third party.-see cols 3 and 5; wherein the third party has experience with the first part and is willing to assume a risk.-see col. 2 lines 56-65 (validation of parties involved in transaction) and col. 5 (establishment of account and registration of cardholder); cols. 7-8 (CardFort System); and col. 4 lines 54-67.

**Re claims 15, 16 ,17:** Foster does not specifically disclose wherein the first party and the second party have accounts with the third party further comprising: transferring funds internally between the accounts. Barbara however, teaches a financial institution which has recipient and customer source accounts; wherein one of the accounts of the second party is a direct deposit account; a credit card account-see figure 1 and related text and pars. [0055,0056,0060]. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster to specifically include that the customer and recipient have accounts with the third party (financial institution); wherein the recipient's accounts can be a deposit account or a credit card account as taught by Barbara in order to facilitate the making of payments over the Internet.

**Re claim 18:** Foster does not specifically disclose wherein the financial services includes an overdraft protection. Barbara however, teaches overdraft protection-see para. 72. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster to specifically include a financial service providing offering overdraft protection as taught by Barbara in order to prevent the

consumer from having to pay overdraft charges incurred when the balance of an account becomes negative.

**Re claim 23, 24:** Foster discloses wherein the financial services includes account information protection; and wherein the first and second party do not have access to the other party's account information.-see col. 2 lines 26-39.

**Re claims 25-27:** Foster does not explicitly disclose placing a payment to the second party into a holding account wherein the second party is notified of the payment via email; wherein the second party is provided with an access code to retrieve funds from an ATM. Barbara however, teaches a transaction account to hold money designated for a recipient, wherein the second party is notified via email; and wherein the recipient is provided an access card number-see pars. 18-20; 57; 58-68. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster to explicitly include a transaction account for funds designated for a recipient, email notification to the recipient that funds are available, and the recipient provided with an access card number in order to retrieve funds from an ATM as taught by Barbara in order to provide a method for on-line payments which utilizes a transaction account as a hub and allows the funds to flow easily from one account to another and enables easy access of funds for both the customer and recipient.

**Re claims 28, 30-31, 33:** Further a system would have been necessary to perform the method of previously rejected claims 1, 3, 4, and 9 and are therefore rejected using the



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same art and rationale.

**Re claims 29 and 32:** Further a system would have been necessary to perform the method of previously rejected claims 2, 26 and are therefore rejected using the same art and rationale.

5. Claims 10-12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Foster in view of Barbara as applied to claim 9 above, and further in view of Balto (Balto, David A., "Creating a Payment System Network: The Tie That Binds or an Honorable Peace?", The Business Lawyer. Chicago: May 2000. Vol. 55, Iss. 3; pg. 1391, 18 pgs.).

**Re claims 10,11:** Foster and Barbara do not disclose that the transaction is "on-us" and that credit card association fees are passed on to the second party. Balto however teaches that VISA offers to waive interchange fees for merchants.-see p. 8 para. 7; also see pp.2-3. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster and Barbara to include credit card companies such as VISA waiving interchange fees charged to merchants as taught by Balto in order to attract merchants and encourage merchants to adopt its standards for Internet transactions.

**Re claim 12:** Foster discloses waiting to ensure funds are available to the third

party prior to releasing any funds to the second party; -see cols. 3; 7;8.

6. Claims 19-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Foster in view Barbara as applied to claim 1 above, further in view of Bowen (Bowen, Cathy. "Behind the Spree in Payments for C2C". Credit Card Management; Apr 2000; 13, 1; pg. 28).

**Re claims 19-22:** Foster and Barbara do not specifically disclose wherein the financial services includes insurance coverage on purchased items and escrow service. Bowen however, teaches insurance coverage see p. 34, col. 3, para. 2 and escrow service p. 30-32. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster and Barbara to specifically include escrow service and insurance coverage on purchased items as taught by Bowen in order to provide buyers and sellers with a fair degree of security in preventing fraudulent transactions and reimbursement to unsatisfied buyers.

### ***Response to Arguments***

7. The applicant's arguments filed 4/24/2008 have been fully considered but they are not persuasive. As noted in the previous office action dated 1/25/2008, claims 1 and 28 are written in alternative language and are therefore given their broadest reasonable interpretation. See MPEP § 2106 II C (Language that suggests or makes optional but

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does not require the steps to be performed or does not limit a claim to a particular structure does not limit the scope of the claim or claim limitation.)

Regarding the applicant's argument suggesting that Barbara fail to teach "wherein satisfying the obligation further comprises placing a payment in satisfaction of the obligation in a holding account solely for retrieval via an ATM by the second party", the applicant's attention is directed to paragraphs [0019] and [0059] wherein Barbara discloses "the access card that is provided in connection with the second and third levels of service allows the user to withdraw funds from the transaction account [holding account], for example, at a self-service financial transaction terminal, such as an automatic teller machine (ATM)." [0019] and "An embodiment of the present invention enables the recipient 14 to receive a payment from another person, such as a customer 10, and to use the payment for shopping 44 or to withdraw the payment in cash 46 at an ATM for a fee." [0059].

### ***Conclusion***

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

US Patent No. 6,609,113 (O'Leary et al.)- cited for a payee (recipient of funds) being able to withdraw the funds via an ATM.

US Patent No. 5,591,949 (Bernstein)-cited for automatic portable account controller for remotely arranging for payment of debt to a vendor.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Elda Milef whose telephone number is (571)272-8124. The examiner can normally be reached on Monday -Friday 9:00 am to 5:00 pm. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on (571)272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Kambiz Abdi/  
Supervisory Patent Examiner, Art Unit 3692

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